

# **Exhibit 3**

*Corporate Board Member & PricewaterhouseCoopers'*

# WHAT DIRECTORS THINK ANNUAL BOARD OF DIRECTORS SURVEY

The 2009 Results

CORPORATE  
BOARD MEMBER<sup>®</sup>  
MAGAZINE

PRICEWATERHOUSECOOPERS 

# What Directors Think 2009

## Annual Board of Directors Survey

*A Corporate Board Member Magazine/PricewaterhouseCoopers  
Research Study*

## Overview

On April 14, 2009, the What Directors Think Annual Board of Directors Survey was sent to 10,000 directors of U.S. public companies. The survey was returned by 1021 directors.

The study began by addressing several issues associated with the current economic crisis. In large number (90%), directors believe that a considerable amount of new regulation will be a result of the current economic situation. The study also found that the majority (64%) of directors foresee increased shareholder influence as another outcome of the current economic crisis. Many directors (54%) also believe that companies will be pressured to adopt the governance policies the government is imposing on companies receiving economic assistance. Just under half of the responding directors (45%) do not believe that any level of government control could have prevented the severity of the current economic situation.

In response to the current economic challenges, 72% of companies represented in this study have or intend to reduce staff levels. Sixty-two percent of companies represented in this study have or intend to cut or defer capital expenditures. However, some companies are seeking opportunity in this environment with 52% of represented companies searching for good acquisitions.

Many of the companies represented in this study are reacting to the current economic situation with business as usual policies. Most companies represented in this study (83%) do not intend to make any fundamental changes to their business model. Eighty-one percent of the companies in the study are not considering eliminating or reducing dividends, 70% are not postponing any planned expansion and 66% have no intentions of divesting or closing business units or business lines.

The reliability of fair value and its impact on the financial system is a concern for 69% of responding directors. Another concern of many directors (64%) regarding financial reporting is the second-guessing of companies' disclosures and estimates by regulators, lawyers and others. Sixty percent of responding directors are concerned with fair value creating a spiral effect, driving asset values down further. Additionally, over half (55%) of respondents are concerned over the level of asset impairments companies are recording.

The financial reporting issues not causing great concern to responding directors are that financial statements don't give the reader enough information about the business model (61% not concerned) and that the information provided is not sufficient for investor decision making (65% not concerned).

It is worth noting that over one third of responding directors are concerned about how the economy will impact the likelihood of fraud (35%).

Next, the study addressed the general impact of the current limitations on company financing. Twenty-three percent of responding directors answered that a lack of financing would significantly impact their company's ability to carry out its strategic plan. Another

38% answered that such a lack of financing would somewhat impact their company's ability to follow through with its strategic plan. Finally, 39% indicated that financial concerns of this nature are not a constraint at this time.

In the event that traditional funding sources are no longer available, 64% of responding directors have some level of comfort (15% - very comfortable and 48% somewhat comfortable) that their company could access alternative financing. Within this study, 27% were not comfortable with their company's ability to obtain alternative financing should it be needed. Nine percent of respondents answered that their company has sufficient reserves and would not be needing financing.

Once again, our study found that directors spend an average of 20 hours per month on board matters, including committee activities, preparation time, meeting attendance, and travel. This is the same amount of time indicated in the studies conducted in both 2007 and 2008.

Full board meetings last from 3-4 hours for 20% of respondents, 5 to 6 hours for 33%, 7 to 8 hours for 25%, 8 to 10 hours for 12% and more than 10 hours for 8% of respondents. This is a slight shift to longer meetings from last year's study findings, continuing the trend started in 2002 when the majority (93%) of full board meetings lasted four hours or less.

Most (92%) of respondents feel they have sufficient board meeting time to comply with their duties as a director. When asked how their board meeting time should be spent, over half of the respondents indicated a desire to increase the amount of time spent discussing the following issues: strategic planning (66%), succession planning (53%), risk management (66%), the impact of economic conditions (60%), and how to capitalize on growth opportunities (53%). Eighty-five percent of respondents feel they currently spend enough time discussing the ethical culture of their company. Additionally, 81% of respondents have no desire to increase their discussion time regarding analyst and credit rating reports. Since 2004, this question has been asked almost every year with many of the same issues rising to the top of the priority list for directors. Strategic planning, succession planning, and meeting managers from key parts of the company are consistent priorities for directors. This year's business environment opened the list of top director priorities to include risk management and the impact of economic conditions.

Who decides what areas will be discussed during the board meeting? For 52% of the boards represented by responding directors in this study, the CEO has the final responsibility for creating the board meeting agenda. Another 28% give that responsibility to the non-executive chairperson.

Apart from profitability and shareholder value, risk management (39%) was most often selected as the responsibility that should receive the most attention from directors. Capitalizing on growth opportunities (32%) was chosen almost as frequently as the responsibility, other than profitability and shareholder value, that should receive the most attention from directors. Executive compensation and regulatory compliance were the least-selected responsibility needing the most attention from directors, beyond their basic profitability and shareholder value.

Directors are requiring more time in committee. The study findings indicate that the length of the compensation committee meeting has increased significantly from 2008 when 50% of respondents serving on the committee indicated their meetings lasted 2 hours or less compared to the 34% in 2009 answering the same. Additionally, 60% of this year's respondents answered their compensation committee meetings last 2 to 4 hours with another 6% having meetings that last 4 to 6 hours. This, too, is an increase from the 45% in 2008 whose meetings lasted 3-4 hours (NOTE: This interval difference represents a difference in the question option structure from 2008 to 2009).

The length of the audit committee meeting has also increased since our study in 2008. In our current study, 17% of respondents indicated their audit committee meetings lasted two hours or less, 2 to 4 hours for 63%, 4 to 6 hours for 19% and all day for 1% of respondents. The increase in time is evident when compared to the 2008 study data of 24% having meetings that last two hours or less, 60% with meetings lasting 3-4 hours, and 15% indicating their meetings last 5-6 hours.

Keeping up with the trend, governance/nominating committee meetings have also increased in length. In 2008, 86% of respondents had nominating/governance meetings that lasted two hours or less, that percentage has decreased in 2009 to 78% with 22% currently having meetings that last 2 to 4 hours.

Other than the three core committees (governance, compensation and audit) an executive committee (47%) was most often selected as the additional committee currently incorporated into the structure of the boards represented in this study. Of those boards represented that do not currently have an executive committee, only 6% of the directors representing those boards believe they should. Fifteen percent of represented boards have a risk management committee. Of those currently without one, 25% believe they should institute a risk management committee for their board. Only 21% of the represented boards have a finance committee, and of those boards currently without a finance committee, only 7% of the directors representing those boards believe they should have one. Similarly, 7% of represented boards have an M&A committee, and only 7% of the directors representing the boards without one believe they should institute an M&A committee. Finally, social responsibility committees are currently found on 9% of represented boards with only 4% of those boards without one indicating one is needed.

Directors were asked to rate the difficulty of a number of director responsibilities. Ensuring that the company has an appropriate strategy (64%) was rated most often as being a difficult director responsibility. Ensuring the company's risk appetite is appropriate (52%) and serving on the audit committee (52%) were also rated frequently as being difficult. Fifty-eight percent of respondents believe that understanding the company's financials isn't a very difficult director responsibility. Ensuring the integrity of the company's financial statements was rated as not difficult by 53% of respondents.

Directors rated their board's audit committee as being effective (94%) at monitoring the accuracy of their company's financial reporting. Directors also have confidence in their relationship with management with eighty-five percent of respondents rating their board as being effective at standing up and challenging their company's management when appropriate. The compensation committee was rated as effective at managing CEO compensation by 76% of respondents. Boards represented in this study are most frequently challenged by creating a management succession plan with 18% indicating their board is not effective at this task.

Comparison peer group financial and/or business data is received by 82% of the responding director's boards. Of those boards receiving this information, 78% of directors believe the information to be adequate in scope and 56% believe it to be adequate in quality. Significantly fewer boards represented in this study receive information on employee values and/or satisfaction (47%).. Of those directors whose board receives this information, 78% believe it to be adequate in scope and 59% believe the information is adequate in quality. Forty-five percent of boards represented in the study receive general and/or specific customer satisfaction research. Seventy-six percent of the directors on these boards believe the information to be adequate in scope and 59% believe it to be adequate in quality. In each type of information included in this question, just over half of respondents believe the information to be adequate in quality, leaving just under half of all respondents with inadequate quality in the information they receive.

Having to restate earnings (95%) was selected most often as the "red flag" that would signal the responding director to step up his/her board involvement. Likewise, should management miss strategic performance goals, 92% of respondents will feel the need to increase their board involvement. Other strong "red flags" that cause newly focused board involvement are multiple whistle-blower incidents (88%), poor customer satisfaction track record (85%), poor employee moral (83%), funding challenges (82%), and an adverse 404 opinion (77%). Stock price decline (30%) and quarterly financials missing analysts' "whisper numbers" (27%) were not frequently rated as the incidents that would spur directors to increase their board involvement.

Directors feel confident that they can adequately meet their responsibility of monitoring their company's multitude of risks (88%). However, only 36% believe that, given the events of the last 12 months, that the type of information their board currently receives on risk is adequate and has been adequate in the past. An additional 45% believe their information is currently adequate, but is currently an improvement over what they received in the past. Seventeen percent have management addressing the deficiency, but currently do not believe they have adequate information to monitor their company's risk.

Over the next two years, 65% of respondents expect the risk of shareholder (plaintiffs' bar) litigation to increase. Thirty-one percent do not expect any change to the risk of shareholder litigation.

Similarly, 71% of respondents expect the risk of regulatory investigation/action to increase over the next two years. Twenty-six percent expect no change in this risk.

Directors feel their risk has increased significantly over the last 12 months (69%). This is a significant increase compared to the 38% that felt their risk increased in 2008. Currently, just under a third (30%) of respondents believe their risk has remained the same, compared to 61% in 2008.

Most directors feel comfortable that their directors and officers liability insurance plan will cover them for fraud for which they are not responsible (86%). Similarly, directors feel confident that their D&O insurance will cover them in a shareholder suit (82%). A

significantly fewer number of directors are as confident regarding their coverage should their company have catastrophic loss (68%) or have to declare bankruptcy (67%).

Because of the level of risk associated with the board position, 46% of respondents have turned down the opportunity to serve on a board. In the last 12 months, 29% of respondents have either resigned or thought seriously about resigning from one of their board positions. Time constraints (11%) was the reason most often cited by respondents for this consideration or decision.

Respondents are split as to whether their board would hesitate to bring in a new director with no experience. Forty-nine percent of represented boards would have reservations about offering a board position to someone with no previous experience which is an increase from 37% in 2008. Fifty-six percent of respondents believe there is a shortage of qualified directors for today's companies.

When looking for directors with certain skill sets or attributes, ethnic diversity was rated most often as an attribute that is either very difficult (23%) or somewhat difficult (48%) to add to their board. International expertise was also rated frequently as being a skill very difficult (14%) or somewhat difficult (54%) to add to their board. Legal expertise (80%) was rated most often as the skill set that was not at all difficult to add to their board.

Over two-thirds of respondents (78%) believe board education training should be a requirement for all directors. Over the last 12 months, 38% of respondents have had four hours or less of outside board training, 18% have had 4 to 8 hours, 20% have had 8 to 16 hours, 10% have had 16 to 24 hours and 15% have had over 24 hours of outside training. Additionally, 51% of respondents have had 4 hours or less of inside board training. Another 31% have had 4 to 8 hours, 13% have had 8 to 16 hours, and 3 % have had 16 to 24 hours of inside board training.

Thirty percent of respondents believe there is a director on their board they feel should be replaced.

Of those 30% of respondents who believe there is a director on their board that should be replaced, forty-six percent indicated the director in question does not have the skill set needed to serve on their board. Also of those 30% who feel a director on their board should be replaced, 38% say it's because the director is not engaged, 33% believe the director has been on the board too long and 28% indicated the director comes to the board meetings unprepared.

Within the last two years, 25% of responding directors' boards have either asked a director to resign or refused to re-nominate him/her to the board.

When asked if their board evaluation process is effective at improving their board's performance, 46% answered that their process was either very effective (12%) or effective (34%). Ten percent believe their board evaluation process to either be ineffective (8%) or very ineffective (2%) at improving their board's performance. Only 6% of respondents sit on boards that do not conduct board evaluations.



Those directors representing boards that conduct board evaluations were asked what actions were taken as a result of the evaluation. Just under half (49%) of these respondents indicated there was or will be a change in the information they receive before and/or during their meetings. A change in the way meetings are conducted was the change instituted by 46% of these boards after their evaluation. Board composition was the resulting change for 19% of these boards.

The majority of directors (60%) believe U.S. company boards are having trouble controlling CEO compensation levels. Thirty-two percent do not agree that they are having trouble and eight percent are not sure.

Confident they can do the job, 75% of respondents believe executive compensation should be left to the board of directors. Just over half (51%) agree that it will become more difficult to retain the best leaders if their board cannot pay market value for their talent. Many respondents (64%) are concerned that the companies that are not directly participating in government relief programs will also feel the effect in their compensation discussions given the increased focus on this area by the U.S. government. Only 12% of respondents believe the current government limitations on compensation are justified and only 3% agree that the government should apply further limitations on compensation. Thirty-nine percent of respondents believe that despite the restrictions, companies will find ways to maintain levels of overall executive compensation while 35% believe it will become difficult for companies to recruit the best leaders due to executive compensation limitations.

Overall, directors do not seem overly concerned about a restricted luxury/travel/executive perks and awards policy. Twenty-two percent fear such a forced policy would cause management teams to be significantly less productive with their time. Thirty-five percent of respondents are concerned it would impact the ability to award the company's best performers. Only 12% fear this type of restriction will get in the way of directors getting prudent board education.

Having underwater options is an issue for 81% of the companies represented in this study. However, 60% of those boards with underwater options have decided not to exchange their underwater equity. Twenty-five percent of these boards are making additional grants of equity to selected staff and 28% have not made any decisions regarding their underwater options.

Over one third (39%) of respondents are not satisfied with their company's management succession plan. Of those respondents that are not satisfied with their company's management succession plan, 52% of responding directors are dissatisfied with the management talent in the succession pipeline. Also, 41% of those directors dissatisfied with their management succession plan indicated that it is not a regular item on their board meeting agenda.

Regarding shareholder communication, 82% of respondents agree that all shareholders should have the ability to ask questions of board members at the shareholders' annual meeting, with the probability of directors being in agreement increasing as the revenue size of the company decreases. However, a lower 56% of respondents agreed that board members should directly answer shareholders' questions at the annual meeting. The idea that shareholders should be able to communicate with board members at any time was met with agreement

by 58% of respondents and 50% agreed that certain (major) shareholders should have the ability to communicate with board members during meetings designated for that purpose.

Most (92%) respondents feel prepared to respond if, while at the company's annual meeting, a shareholder asked them their opinion of the company's strategy.

Not wanting to make a prediction, 69% of respondents were non-committal as to what changes to board performance and collegiality would occur should the SEC be successful in making proxy access easier and shareholder-nominated directors were to be elected to boards. However, 23% were willing to predict that it would have a negative impact on the collegiality and functionality of the board. More inside directors (32%) were willing to make this prediction than outside directors (21%).

Institutional investors (37%) were most often selected as the group that influences respondents' boards the most. Government regulators (33%) were selected often as well for having great influence on boards.

Next, respondents were asked about the impact of a published governance rating. Sixty-two percent believe it will increase a director's governance focus, 45% believe it will impact attracting investors and 30% believe it can alter the company's stock value. Each of these percentages is significantly lower compared to when the question was last asked in 2003 with 64% believing a published governance rating would attract investors, 48% believing it would alter your stock value and 80% believing it would increase a director's governance focus.

The technology and business strategies of the companies represented in this study are believed to be aligned by 85% of the respondents. Ten percent were not sure and 5% indicated these strategies were not aligned at their company.

The majority of directors are engaged at some level with the handling of sensitive customer and personal data and corporate information like intellectual property. Fifteen percent of respondents say their board monitors the issue and gets regular updates from management. Another 19% serve on a board that is aware of the issue, discusses it and provides guidance to management. Yet another 33% serve on a board that is aware of the issue and discusses it. Only 30% indicated their board does not discuss the issue at all.

Unknown risks (59%) was chosen most often by respondents as the issue that kept them up at night. Interestingly, 25% say it is the ability of the CEO to manage through the current challenges that keeps them up. Personal liability is an issue that increases in concern for the director as the revenue size of their company decreases.

Ninety-one percent of respondents indicated they represent companies that have not participated in any federal economic relief programs. Only 7% have received an equity injection. Less than 1% indicated they sold troubled assets through a government program and 1% have received other form(s) of economic relief.

Demographics:

- 82% of respondents serve as outside directors
- 18% of respondents serve as inside directors
- 37% of respondents hold the title of outside director
- 11% of respondents are CEOs
- 10% of respondents are the chairperson of their company
- 9% of respondents are both CEO and chairperson
- 11% of respondents are retired
- 6% of respondents are retired CEOs
- 31% of respondents have served on the board for over 10 years
- 29% of respondents have served on the board for 3 to 5 years
- 25% of respondents have served on the board for 6-10 years
- 11% of respondents have served on the board for 1 to 2 years
- 88% of respondents are male
- The mean revenue of the companies represented in this study is \$4.32 billion
- 19% of the respondents serve companies with under \$500 million in revenues
- 19% of the respondents serve companies with \$500 million to \$1 billion in revenues
- 39% of respondents serve companies with \$1.1 billion to \$ 5 billion in revenues
- 11% of respondents serve companies with \$5.1 billion to \$10 billion in revenues
- 12% of respondents serve companies with over \$10 billion in revenues
- 62% of respondents serve companies listed on the NYSE-Euronext
- 38% of respondents serve companies listed on the NASDAQ OMX Group
- Less than 1% of respondents serve companies listed on the AMEX
- 12% of respondents serve as the chairperson of the governance/nominating committee
- 33% of respondents serve as a member of the governance/nominating committee
- A larger percent (59%) of females serve as a member or chairperson of the governance/nominating committee compared to 44% of males.

- As the age of the respondent increased so did the likelihood that he/she serves as a chairperson or member of the governance/nominating committee.
- 9% of respondents serve as the chairperson of the compensation committee
- 27% of respondents serve as a member of the compensation committee
- 19% of respondents serve as the chairperson of the audit committee
- 35% of respondents serve as a member of the audit committee
- Over 40% of directors that have served the board for 2 years or less are serving on the audit committee: 42% serving less than 1 year and 43% serving 1 to 2 years.
- Respondents serve on an average of 1.56 public boards, 1.80 private boards and 2.13 not for profit boards.
- Industries represented the most in this study are:
  - Advance technology
  - Banking/savings institutions
  - Other financial institutions
  - Consumer products
  - Energy/utilities
  - Healthcare products / pharmaceuticals
  - Industrial/farm equipment
  - Insurance
  - Other service companies
  - Retail

## Frequencies

**1. To what level do you agree with the following statements regarding the implications of the economic crisis? 1 = strongly agree, 5 = strongly disagree**

	Count	Mean
There will be a considerable amount of new regulation	1018	1.58
Shareholders will have increasing influence	1014	2.26
The economic crisis has strained the relationship between the board and management	1003	3.56
Companies will be pressured to adopt the government policies the government is imposed on companies receiving economic assistance	1018	2.49
More government control would have decreased the severity of our economic crisis.	1015	3.47
Less government control would have decreased the severity of our economic crisis.	1015	3.48
Gov. control of any level could not have prevented the severity of our economic crisis.	1013	2.88

		Count	Column N %
There will be a considerable amount of new regulation	strongly agree	549	53.9%
	2.00	372	36.5%
	3.00	77	7.6%
	4.00	19	1.9%
	strongly disagree	1	.1%
	Total	1018	100.0%
Shareholders will have increasing influence	strongly agree	160	15.8%
	2.00	491	48.4%
	3.00	312	30.8%
	4.00	45	4.4%
	strongly disagree	6	.6%
	Total	1014	100.0%
The economic crisis has strained the relationship between the board and management	strongly agree	27	2.7%
	2.00	147	14.7%
	3.00	260	25.9%
	4.00	375	37.4%
	strongly disagree	194	19.3%
	Total	1003	100.0%
Companies will be pressured to adopt the gov policies the gov is imposed on companies receiving economic assistance	strongly agree	203	19.9%
	2.00	351	34.5%
	3.00	257	25.2%
	4.00	174	17.1%
	strongly disagree	33	3.2%
	Total	1018	100.0%

		Count	Column N %
More government control would have decreased the severity of our economic crisis.	strongly agree	68	6.7%
	2.00	202	19.9%
	3.00	203	20.0%
	4.00	273	26.9%
	strongly disagree	269	26.5%
	Total	1015	100.0%
Less government control would have decreased the severity of our economic crisis.	strongly agree	66	6.5%
	2.00	146	14.4%
	3.00	265	26.1%
	4.00	313	30.8%
	strongly disagree	225	22.2%
	Total	1015	100.0%
Gov. control of any level could not have prevented the severity of our economic crisis.	strongly agree	151	14.9%
	2.00	302	29.8%
	3.00	205	20.2%
	4.00	226	22.3%
	strongly disagree	129	12.7%
	Total	1013	100.0%

**2. At your company, what steps have been taken or are being taken in response to the economic challenges?**

		Count	Column N %
Reducing staff levels	yes	649	72.3%
	no	249	27.7%
	Total	898	100.0%
Divesting of or closing units/business lines	yes	308	34.3%
	no	590	65.7%
	Total	898	100.0%
Using the opportunity to search for good acquisitions	yes	468	52.2%
	no	428	47.8%
	Total	896	100.0%
Recruiting high-quality staff from troubled companies	yes	252	28.1%
	no	645	71.9%
	Total	897	100.0%
Cutting/deferring capital expenditures	yes	553	61.7%
	no	343	38.3%
	Total	896	100.0%
Eliminating/reducing dividends	yes	173	19.3%
	no	725	80.7%
	Total	898	100.0%
Postponing planned expansion	yes	271	30.2%
	no	625	69.8%
	Total	896	100.0%
Considering a fundamental change to the business model	yes	154	17.2%
	no	743	82.8%
	Total	897	100.0%
Other	yes	77	8.6%
	no	818	91.4%
	Total	895	100.0%



<i>Question 2 written answers</i>		
	<i>analysis of burn rate and implement</i>	<i>1</i>
	<i>Build market</i>	<i>1</i>
	<i>Business still reasonably good.</i>	<i>1</i>
	<i>compensation freeze</i>	<i>1</i>
	<i>considering bankruptcy</i>	<i>1</i>
	<i>Consolidating back offices</i>	<i>1</i>
	<i>cost reduction</i>	<i>11</i>
	<i>De leveraging the balance sheet</i>	<i>1</i>
	<i>eliminating defined benefit pension</i>	<i>1</i>
	<i>eliminating director positions</i>	<i>1</i>
	<i>Emphasizing customer service</i>	<i>1</i>
	<i>expand</i>	<i>1</i>
	<i>expand sales force</i>	<i>1</i>
	<i>expanding organic growth</i>	<i>1</i>
	<i>global expansion</i>	<i>1</i>
	<i>hiring freeze</i>	<i>1</i>
	<i>Improve capital structure</i>	<i>1</i>
	<i>Improving risk management practices</i>	<i>1</i>
	<i>increased liquidity</i>	<i>1</i>
	<i>Innovative opportunities</i>	<i>1</i>
	<i>intense expense examination</i>	<i>1</i>
	<i>limiting raises</i>	<i>1</i>
	<i>looking at contingencies</i>	<i>1</i>
	<i>Merger</i>	<i>1</i>
	<i>more emphasis on govt. relations</i>	<i>1</i>
	<i>none</i>	<i>7</i>
	<i>payoff debt</i>	<i>1</i>
	<i>plant closures</i>	<i>1</i>
	<i>postponed raises</i>	<i>3</i>
	<i>preserve cash</i>	<i>1</i>
	<i>reassessing strategic plan</i>	<i>1</i>

	<i>reducing bank debt</i>	<i>1</i>
	<i>reducing salaries</i>	<i>4</i>
	<i>reduction in benefits</i>	<i>1</i>
	<i>refinancing crisis</i>	<i>1</i>
	<i>review of product portfolios</i>	<i>1</i>
	<i>salary freeze</i>	<i>9</i>
	<i>selling of assets</i>	<i>1</i>
	<i>some wage freezes</i>	<i>1</i>
	<i>Stock Buy In</i>	<i>1</i>
	<i>streamlining organizational structure</i>	<i>1</i>
	<i>Tighter cost management</i>	<i>1</i>
	<i>tighter working capital mgmt</i>	<i>1</i>

**3. Please rate the level of concern you have regarding the following financial reporting issues: 1 = extremely concerned, 5 = not at all concerned**

	Count	Mean
The financial statements don't give the reader enough information about the business model.	1011	3.66
The financial statements don't give the reader insight into future operations or issues.	1014	3.28
The information provided is not sufficient for investor decision making.	1009	3.70
The ability of users to understand financial statements.	989	2.76
The use of historical cost, mixed with fair value measures, makes financial reporting less relevant.	1006	2.91
Second-guessing of companies' disclosures and estimates by regulators, lawyers, and others	1005	2.32
Transparency about impacts of the financial crisis	1005	2.92
The level of asset impairments companies are recording	1005	2.53
The economic environment's impact on the likelihood of fraud	1003	2.92
Adopting International Financial Reporting Standards	1004	2.81
Fair value creating a spiral effect, driving asset values down further	1006	2.36
The reliability of fair value and its impact on the financial system	1005	2.21
Q3 other	43	1.40

		Count	Column N %
The financial statements don't give the reader enough information about the business model.	extremely concerned	20	2.0%
	2.00	125	12.4%
	3.00	251	24.8%
	4.00	401	39.7%
	not at all concerned	214	21.2%
	Total	1011	100.0%
The financial statements don't give the reader insight into future operations or issues.	extremely concerned	28	2.8%
	2.00	228	22.5%
	3.00	313	30.9%
	4.00	324	32.0%
	not at all concerned	121	11.9%
	Total	1014	100.0%
The information provided is not sufficient for investor decision making.	extremely concerned	12	1.2%
	2.00	119	11.8%
	3.00	224	22.2%
	4.00	455	45.1%
	not at all concerned	199	19.7%
	Total	1009	100.0%
The ability of users to understand financial statements.	extremely concerned	106	10.7%
	2.00	360	36.4%
	3.00	267	27.0%
	4.00	180	18.2%
	not at all concerned	76	7.7%
	Total	989	100.0%

		Count	Column N %
The use of historical cost, mixed with fair value measures, makes financial reporting less relevant.	extremely concerned	74	7.4%
	2.00	309	30.7%
	3.00	334	33.2%
	4.00	216	21.5%
	not at all concerned	73	7.3%
	Total	1006	100.0%
Second-guessing of companies' disclosures and estimates by regulators, lawyers, and others	extremely concerned	209	20.8%
	2.00	431	42.9%
	3.00	227	22.6%
	4.00	111	11.0%
	not at all concerned	27	2.7%
	Total	1005	100.0%
Transparency about impacts of the financial crisis	extremely concerned	53	5.3%
	2.00	296	29.5%
	3.00	392	39.0%
	4.00	210	20.9%
	not at all concerned	54	5.4%
	Total	1005	100.0%
The level of asset impairments companies are recording	extremely concerned	144	14.3%
	2.00	409	40.7%
	3.00	266	26.5%
	4.00	147	14.6%
	not at all concerned	39	3.9%
	Total	1005	100.0%
The economic environment's impact on the likelihood of fraud	extremely concerned	69	6.9%
	2.00	285	28.4%
	3.00	363	36.2%
	4.00	226	22.5%
	not at all concerned	60	6.0%
	Total	1003	100.0%

		Count	Column N %
Adopting International Financial Reporting Standards	extremely concerned	149	14.8%
	2.00	256	25.5%
	3.00	314	31.3%
	4.00	206	20.5%
	not at all concerned	79	7.9%
	Total	1004	100.0%
Fair value creating a spiral effect, driving asset values down further	extremely concerned	208	20.7%
	2.00	396	39.4%
	3.00	257	25.5%
	4.00	125	12.4%
	not at all concerned	20	2.0%
	Total	1006	100.0%
The reliability of fair value and its impact on the financial system	extremely concerned	228	22.7%
	2.00	463	46.1%
	3.00	211	21.0%
	4.00	84	8.4%
	not at all concerned	19	1.9%
	Total	1005	100.0%
Q3 other	extremely concerned	32	74.4%
	2.00	7	16.3%
	3.00	2	4.7%
	4.00	2	4.7%
	not at all concerned	0	.0%
	Total	43	100.0%

**4. To what extent do financial concerns (a lack of financing) impact your company's ability to carry out its strategic plan?**

		Count	Column N %
<i>To what extent do financing concerns (a lack of financing) impact your company's ability to carry out its strategic plan?</i>	<i>It is a significant constraint</i>	209	23.1%
	<i>It is somewhat of a constraint</i>	340	37.6%
	<i>It is not a constraint</i>	356	39.3%
	<i>Total</i>	905	100.0%

**5. What is your level of comfort that your company could access alternate financing in the event that traditional funding sources are no longer available?**

		Count	Column N %
<i>What is your level of comfort that your company could access alternate financing in the event that traditional funding sources are no longer available.</i>	<i>very comfortable</i>	139	15.4%
	<i>somewhat comfortable</i>	436	48.2%
	<i>not comfortable</i>	246	27.2%
	<i>the company has sufficient reserves and will not need financing</i>	84	9.3%
	<i>Total</i>	905	100.0%



**6. How many hours per month do you estimate you spend on board matters for this company (including all committee activities, review and preparation time, meeting attendance, and travel)**

	Count	Mean
How many hours per month do you estimate you spend on board matters for this company	941	20.23 hours

		Count	Column N %
How many hours per month do you estimate you spend on board matters for this company	1.00	3	.3%
	2.00	9	1.0%
	3.00	7	.7%
	4.00	16	1.7%
	4.50	1	.1%
	5.00	18	1.9%
	6.00	23	2.4%
	7.00	4	.4%
	7.50	1	.1%
	8.00	45	4.8%
	9.00	5	.5%
	10.00	152	16.2%
	11.00	1	.1%
	12.00	74	7.9%
	13.00	3	.3%
	14.00	8	.9%
	15.00	87	9.2%
	16.00	41	4.4%
	17.00	1	.1%
	18.00	18	1.9%

		Count	Column N %
	20.00	181	19.2%
	21.00	1	.1%
	22.00	1	.1%
	23.00	1	.1%
	24.00	25	2.7%
	25.00	61	6.5%
	26.00	3	.3%
	28.00	5	.5%
	29.00	1	.1%
	30.00	46	4.9%
	32.00	2	.2%
	34.00	1	.1%
	35.00	8	.9%
	36.00	3	.3%
	40.00	38	4.0%
	42.00	1	.1%
	45.00	4	.4%
	48.00	2	.2%
	50.00	16	1.7%
	60.00	5	.5%
	64.00	1	.1%
	70.00	1	.1%
	72.00	2	.2%
	75.00	1	.1%
	80.00	2	.2%
	84.00	1	.1%
	86.00	1	.1%
	100.00	3	.3%
	110.00	1	.1%
	120.00	1	.1%

		Count	Column N %
	160.00	1	.1%
	200.00	1	.1%
	250.00	2	.2%
	450.00	1	.1%
	Total	941	100.0%

**7. Typically, how long are your full-board meetings?**

		Count	Column N %
Typically, how long are your full-board meetings?	2 hours or less	17	1.9%
	2-4 hours	177	19.5%
	4-6 hours	303	33.4%
	6-8 hours	230	25.4%
	8-10 hours	105	11.6%
	more than 10 hours	75	8.3%
	Total	907	100.0%

**8. Do you have sufficient board meeting time to comply with your duties as a director?**

		Count	Column N %
Do you have sufficient board meeting time to comply with your duties as a director?	yes	821	91.8%
	no	37	4.1%
	not sure	36	4.0%
	Total	894	100.0%

**9. Please indicate if you would like your board to devote more time this year to considering the following board matters:**

		Count	Column N %
Meeting managers from key parts of the company	Yes, much more time and focus than in the past	97	9.6%
	Yes, but not a great increase from in the past	356	35.2%
	No, change it's already a major focus	421	41.6%
	No, I don't expect any change	133	13.2%
	No, we will decrease our time and focus	4	.4%
	Total	1011	100.0%
Visiting company work sites	Yes, much more time and focus than in the past	58	5.7%
	Yes, but not a great increase from in the past	296	29.3%
	No, change it's already a major focus	222	22.0%
	No, I don't expect any change	418	41.3%
	No, we will decrease our time and focus	17	1.7%
	Total	1011	100.0%
Strategic planning	Yes, much more time and focus than in the past	285	28.6%
	Yes, but not a great increase from in the past	388	38.9%
	No, change it's already a major focus	289	29.0%
	No, I don't expect any change	33	3.3%
	No, we will decrease our time and focus	2	.2%
	Total	997	100.0%
Succession planning	Yes, much more time and focus than in the past	181	17.9%
	Yes, but not a great increase from in the past	358	35.4%
	No, change it's already a major focus	365	36.1%
	No, I don't expect any change	101	10.0%
	No, we will decrease our time and focus	7	.7%
	Total	1012	100.0%

		Count	Column N %
Risk management	Yes, much more time and focus than in the past	224	22.1%
	Yes, but not a great increase from in the past	442	43.6%
	No, change it's already a major focus	277	27.3%
	No, I don't expect any change	69	6.8%
	No, we will decrease our time and focus	1	.1%
	Total	1013	100.0%
Discussing the industry	Yes, much more time and focus than in the past	115	11.4%
	Yes, but not a great increase from in the past	367	36.3%
	No change, it's already a major focus	424	41.9%
	No, I don't expect any change	103	10.2%
	No, we will decrease our time and focus	3	.3%
	Total	1012	100.0%
Discussing the competition	Yes, much more time and focus than in the past	97	9.6%
	Yes, but not a great increase from in the past	338	33.4%
	No, change, it's already a major focus	403	39.8%
	No, I don't expect any change	170	16.8%
	No, we will decrease our time and focus	5	.5%
	Total	1013	100.0%
Compliance and regulatory issues	Yes, much more time and focus than in the past	65	6.4%
	Yes, but not a great increase from in the past	256	25.3%
	No, change, it's already a major focus	441	43.6%
	No, I don't expect any change	244	24.1%
	No, we will decrease our time and focus	6	.6%
	Total	1012	100.0%
Analyst and credit rating update	Yes, much more time and focus than in the past	31	3.1%
	Yes, but not a great increase from in the past	167	16.5%
	No, change it's already a major focus	361	35.7%
	No, I don't expect any change	435	43.0%
	No, we will decrease our time and focus	18	1.8%
	Total	1012	100.0%

		Count	Column N %
Executive compensation	Yes, much more time and focus than in the past	76	7.5%
	Yes, but not a great increase from in the past	296	29.4%
	No change, it's already a major focus	442	43.8%
	No, I don't expect any change	189	18.8%
	No, we will decrease our time and focus	5	.5%
	Total	1008	100.0%
Discussing the impact of economic conditions	Yes, much more time and focus than in the past	208	20.6%
	Yes, but not a great increase from the past	395	39.1%
	No change, it's already a major focus	316	31.3%
	No, I don't expect any change	87	8.6%
	No, we will decrease our time and focus	4	.4%
	Total	1010	100.0%
Development of the company's human capital	Yes, much more time and focus than in the past	63	6.2%
	Yes, but not a great increase from in the past	327	32.3%
	No change, it's already a major focus	462	45.6%
	No, I don't expect any change	158	15.6%
	No, we will decrease our time and focus	3	.3%
	Total	1013	100.0%
Capitalize on growth opportunities	Yes, much more time and focus than in the past	144	14.2%
	Yes, but not a great increase from in the past	389	38.4%
	No change, it' already a major focus	345	34.1%
	No, I don't expect any change	117	11.5%
	No, we will decrease our time and focus	18	1.8%
	Total	1013	100.0%
Ethical culture	Yes, much more time and focus than in the past	20	2.0%
	Yes, but not a great increase from in the past	128	12.7%
	No change, it's already a major focus	556	55.2%
	No, I don't expect any change	296	29.4%
	No, we will decrease our time and focus	7	.7%
	Total	1007	100.0%



**10. Who has final responsibility for creating your board meeting agenda?**

		Count	Column N %
<i>Who has final responsibility for creating your board meeting agenda?</i>	<i>CEO</i>	466	52.0%
	<i>Non-executive chairperson</i>	254	28.3%
	<i>Lead director</i>	95	10.6%
	<i>General counsel/Corporate secretary</i>	31	3.5%
	<i>other</i>	50	5.6%
	<i>Total</i>	896	100.0%

<i>Question 10 written answers</i>		
	<i>all board</i>	10
	<i>ceo and chairman</i>	1
	<i>ceo and lead director</i>	8
	<i>ceo and non exec chairman</i>	3
	<i>cfo</i>	2
	<i>chairman</i>	2
	<i>chairman and ceo</i>	2
	<i>committees and ceo</i>	1
	<i>executive chairman</i>	14
	<i>executive committee</i>	1
	<i>outside directors</i>	2
	<i>president</i>	2

**11. Other than profitability and shareholder value, to what areas of responsibility should directors pay the most attention? Please rank this list 1-6, using each numeric ranking once with 1 = most attention and 6 = least attention.**

	Count	Mean
Executive compensation	964	4.20
Risk management	964	2.28
Regulatory compliance	962	4.23
Development of the company's human capital	963	3.43
Capitalize on growth opportunities	959	2.72
Ethical culture	961	3.90

		Count	Column N %
Executive compensation	1.00	43	4.5%
	2.00	102	10.6%
	3.00	147	15.2%
	4.00	230	23.9%
	5.00	219	22.7%
	6.00	223	23.1%
	Total	964	100.0%
Risk management	1.00	375	38.9%
	2.00	245	25.4%
	3.00	146	15.1%
	4.00	114	11.8%
	5.00	66	6.8%
	6.00	18	1.9%
	Total	964	100.0%

		Count	Column N %
Regulatory compliance	1.00	44	4.6%
	2.00	126	13.1%
	3.00	144	15.0%
	4.00	163	16.9%
	5.00	217	22.6%
	6.00	268	27.9%
	Total	962	100.0%
Development of the company's human capital	1.00	94	9.8%
	2.00	204	21.2%
	3.00	224	23.3%
	4.00	176	18.3%
	5.00	163	16.9%
	6.00	102	10.6%
	Total	963	100.0%
Capitalize on growth opportunities	1.00	304	31.7%
	2.00	190	19.8%
	3.00	187	19.5%
	4.00	106	11.1%
	5.00	94	9.8%
	6.00	78	8.1%
	Total	959	100.0%
Ethical culture	1.00	121	12.6%
	2.00	115	12.0%
	3.00	151	15.7%
	4.00	162	16.9%
	5.00	173	18.0%
	6.00	239	24.9%
	Total	961	100.0%

**12. Do you serve on or chair any of the following committees for this board?**

		Count	Column N %
Q12 Governance/Nominating	I serve	339	33.2%
	I chair	121	11.9%
	Don't serve	561	54.9%
	Total	1021	100.0%
Q12 Compensation	I serve	277	27.1%
	I chair	90	8.8%
	Don't serve	654	64.1%
	Total	1021	100.0%
Q12 Audit	I serve	360	35.3%
	I chair	196	19.2%
	Don't serve	465	45.5%
	Total	1021	100.0%

**13. How long do committee meetings last?**

		Count	Column N %
Q13 Government/Nominating	2 hours or less	316	77.6%
	2-4 hours	88	21.6%
	4-6 hours	3	.7%
	all day	0	.0%
	more than one day	0	.0%
	Total	407	100.0%
Q13 Compensation	2 hours or less	105	33.7%
	2-4 hours	186	59.6%
	4-6 hours	20	6.4%
	All day	0	.0%
	More than one day	1	.3%
	Total	312	100.0%
Q13 Audit	2 hours or less	82	16.5%
	2-4 hours	311	62.7%
	4-6 hours	94	19.0%
	All day	7	1.4%
	More than one day	2	.4%
	Total	496	100.0%

**14. Other than the core committees (Governance, Compensation and Audit) which of the following committees does your board have, and which committee(s) SHOULD your board add?**

		Count	Column N %
Currently have - executive committee	yes	386	46.6%
	no	443	53.4%
	Total	829	100.0%
Should have - executive committee	yes	22	5.6%
	no	371	94.4%
	Total	393	100.0%
Currently have - Finance committee	yes	92	20.6%
	no	355	79.4%
	Total	447	100.0%
Should have - finance committee	yes	23	7.2%
	no	297	92.8%
	Total	320	100.0%
Current have - M&A committee	yes	54	7.1%
	no	704	92.9%
	Total	758	100.0%
Should have - M&A committee	yes	40	6.6%
	no	563	93.4%
	Total	603	100.0%
Currently have - Risk management	yes	115	15.0%
	no	650	85.0%
	Total	765	100.0%
Should have - Risk management	yes	142	24.7%
	no	434	75.3%
	Total	576	100.0%

		<i>Count</i>	<i>Column N %</i>
<i>Currently have - social responsibility</i>	<i>yes</i>	<i>68</i>	<i>9.1%</i>
	<i>no</i>	<i>683</i>	<i>90.9%</i>
	<i>Total</i>	<i>751</i>	<i>100.0%</i>
<i>Should have - social responsibility</i>	<i>yes</i>	<i>23</i>	<i>3.9%</i>
	<i>no</i>	<i>560</i>	<i>96.1%</i>
	<i>Total</i>	<i>583</i>	<i>100.0%</i>
<i>Currently have - other</i>	<i>yes</i>	<i>55</i>	<i>56.1%</i>
	<i>no</i>	<i>43</i>	<i>43.9%</i>
	<i>Total</i>	<i>98</i>	<i>100.0%</i>
<i>Should have - other</i>	<i>yes</i>	<i>7</i>	<i>21.9%</i>
	<i>no</i>	<i>25</i>	<i>78.1%</i>
	<i>Total</i>	<i>32</i>	<i>100.0%</i>

<i>Question 14 written answers</i>		<i>Count</i>
	<i>asset management</i>	<i>1</i>
	<i>M&amp;A as needed</i>	<i>1</i>
	<i>Operations</i>	<i>1</i>
	<i>strategy</i>	<i>1</i>
	<i>Technology committee</i>	<i>3</i>

**15. How difficult are each of the following director responsibilities? 1 = not very difficult, 5 = very difficult**

	Count	Mean
Determining CEO compensation	998	3.24
Serving on the compensation committee	952	3.27
Understanding the company's marketplace	992	2.84
Understanding the company's financials	997	2.36
Ensuring the integrity of the company's financial statements	995	2.42
Serving on the audit committee	969	3.44
Ensuring the company's strategy is appropriate	1001	3.68
Ensuring the company's risk appetite is appropriate	1000	3.48

		Count	Column N %
Determining CEO compensation	not very difficult	73	7.3%
	2.00	173	17.3%
	3.00	309	31.0%
	4.00	329	33.0%
	very difficult	114	11.4%
	Total	998	100.0%
Serving on the compensation committee	not very difficult	53	5.6%
	2.00	126	13.2%
	3.00	352	37.0%
	4.00	354	37.2%
	very difficult	67	7.0%
	Total	952	100.0%



		Count	Column N %
Understanding the company's marketplace	not very difficult	95	9.6%
	2.00	241	24.3%
	3.00	411	41.4%
	4.00	218	22.0%
	very difficult	27	2.7%
	Total	992	100.0%
Understanding the company's financials	not very difficult	188	18.9%
	2.00	391	39.2%
	3.00	301	30.2%
	4.00	105	10.5%
	very difficult	12	1.2%
	Total	997	100.0%
Ensuring the integrity of the company's financial statements	not very difficult	175	17.6%
	2.00	355	35.7%
	3.00	346	34.8%
	4.00	107	10.8%
	very difficult	12	1.2%
	Total	995	100.0%
Serving on the audit committee	not very difficult	37	3.8%
	2.00	125	12.9%
	3.00	299	30.9%
	4.00	390	40.2%
	very difficult	118	12.2%
	Total	969	100.0%

		Count	Column N %
Ensuring the company's strategy is appropriate	not very difficult	21	2.1%
	2.00	79	7.9%
	3.00	262	26.2%
	4.00	473	47.3%
	very difficult	166	16.6%
	Total	1001	100.0%
Ensuring the company's risk appetite is appropriate	not very difficult	18	1.8%
	2.00	100	10.0%
	3.00	359	35.9%
	4.00	429	42.9%
	very difficult	94	9.4%
	Total	1000	100.0%

**16. How would you estimate the effectiveness of your board on each of the following dimensions?  
1 = very effective, 5 = not at all effective**

	<i>Count</i>	<i>Mean</i>
<i>Compensation committee's ability to properly manage CEO compensation</i>	890	1.99
<i>The audit committee's ability to monitor accurate financial reporting</i>	889	1.53
<i>The board's ability to monitor a risk management plan to mitigate corporate exposures</i>	892	2.52
<i>The board's ability to adopt a meaningful ethics policy</i>	891	1.82
<i>The board's ability to stand up and challenge management when appropriate</i>	892	1.71
<i>The board's ability to create an agenda that best uses the board's limited time</i>	891	2.22
<i>The board's ability to complete a management succession plan</i>	892	2.58

		<i>Count</i>	<i>Column N %</i>
<i>Compensation committee's ability to properly manage CEO compensation</i>	<i>very effective</i>	309	34.7%
	<i>2.00</i>	369	41.5%
	<i>3.00</i>	151	17.0%
	<i>4.00</i>	50	5.6%
	<i>not at all effective</i>	11	1.2%
	<i>Total</i>	890	100.0%
<i>The audit committee's ability to monitor accurate financial reporting</i>	<i>very effective</i>	482	54.2%
	<i>2.00</i>	354	39.8%
	<i>3.00</i>	41	4.6%
	<i>4.00</i>	10	1.1%
	<i>not at all effective</i>	2	.2%
	<i>Total</i>	889	100.0%

		Count	Column N %
<i>The board's ability to monitor a risk management plan to mitigate corporate exposures</i>	<i>very effective</i>	80	9.0%
	<i>2.00</i>	369	41.4%
	<i>3.00</i>	355	39.8%
	<i>4.00</i>	78	8.7%
	<i>not at all effective</i>	10	1.1%
	<i>Total</i>	892	100.0%
<i>The board's ability to adopt a meaningful ethics policy</i>	<i>very effective</i>	392	44.0%
	<i>2.00</i>	309	34.7%
	<i>3.00</i>	155	17.4%
	<i>4.00</i>	28	3.1%
	<i>not at all effective</i>	7	.8%
	<i>Total</i>	891	100.0%
<i>The board's ability to stand up and challenge management when appropriate</i>	<i>very effective</i>	443	49.7%
	<i>2.00</i>	315	35.3%
	<i>3.00</i>	88	9.9%
	<i>4.00</i>	41	4.6%
	<i>not at all effective</i>	5	.6%
	<i>Total</i>	892	100.0%
<i>The board's ability to create an agenda that best uses the board's limited time</i>	<i>very effective</i>	198	22.2%
	<i>2.00</i>	396	44.4%
	<i>3.00</i>	217	24.4%
	<i>4.00</i>	65	7.3%
	<i>not at all effective</i>	15	1.7%
	<i>Total</i>	891	100.0%
<i>The board's ability to complete a management succession plan</i>	<i>very effective</i>	136	15.2%
	<i>2.00</i>	297	33.3%
	<i>3.00</i>	298	33.4%
	<i>4.00</i>	130	14.6%
	<i>not at all effective</i>	31	3.5%
	<i>Total</i>	892	100.0%

**17. Does your board receive the following information and is it adequate in scope and quality?**

		Count	Column N %
Receive - General and/or specific customer satisfaction research	yes	403	45.5%
	no	482	54.5%
	Total	885	100.0%
Adequate Scope - General and/or specific customer satisfaction research	yes	305	76.3%
	no	95	23.8%
	Total	400	100.0%
Adequate Quality - General and/or specific customer satisfaction research	yes	236	59.4%
	no	161	40.6%
	Total	397	100.0%
Receive - comparison peer group financial/business data	yes	727	82.1%
	no	159	17.9%
	Total	886	100.0%
Adequate Scope - Comparison peer group financial/business data	yes	569	78.3%
	no	158	21.7%
	Total	727	100.0%
Adequate Quality - Comparison peer group financial/business data	yes	409	56.3%
	no	317	43.7%
	Total	726	100.0%
Receive - information on employee values/satisfaction	yes	416	47.0%
	no	470	53.0%
	Total	886	100.0%
Adequate Scope - information on employee values/satisfaction	yes	322	78.2%
	no	90	21.8%
	Total	412	100.0%
Adequate Quality - information on employee values/satisfaction	yes	242	58.6%
	no	171	41.4%
	Total	413	100.0%

**18. How important is each of the following “red flags” in signaling a director to step up his/her board involvement? 1 = not important, 5 = very important**

	Count	Mean
Management is missing strategic performance goals	993	4.41
Company has to restate earnings	991	4.76
Quarterly financial results miss analysts' "whisper numbers"	990	2.93
Company is target of employee lawsuits	991	3.94
Poor customer satisfaction track record	986	4.24
Poor employee moral	991	4.19
Stock price declines	994	3.11
Adverse 404 opinion	968	4.10
Low governance ratings	992	3.48
Multiple whistle-blower incidents	989	4.38
Funding challenges	988	4.23
Asset write-downs	990	3.65

		Count	Column N %
Management is missing strategic performance goals	not important	3	.3%
	2.00	9	.9%
	3.00	72	7.3%
	4.00	407	41.0%
	very important	502	50.6%
	Total	993	100.0%
Company has to restate earnings	not important	12	1.2%
	2.00	4	.4%
	3.00	30	3.0%
	4.00	113	11.4%
	very important	832	84.0%
	Total	991	100.0%
Quarterly financial results miss analysts' "whisper numbers"	not important	104	10.5%
	2.00	181	18.3%
	3.00	441	44.5%
	4.00	209	21.1%
	very important	55	5.6%
	Total	990	100.0%
Company is target of employee lawsuits	not important	25	2.5%
	2.00	57	5.8%
	3.00	193	19.5%
	4.00	395	39.9%
	very important	321	32.4%
	Total	991	100.0%

		Count	Column N %
Poor customer satisfaction track record	not important	14	1.4%
	2.00	18	1.8%
	3.00	115	11.7%
	4.00	407	41.3%
	very important	432	43.8%
	Total	986	100.0%
Poor employee moral	not important	10	1.0%
	2.00	17	1.7%
	3.00	144	14.5%
	4.00	422	42.6%
	very important	398	40.2%
	Total	991	100.0%
Stock price declines	not important	46	4.6%
	2.00	214	21.5%
	3.00	440	44.3%
	4.00	222	22.3%
	very important	72	7.2%
	Total	994	100.0%
Adverse 404 opinion	not important	15	1.5%
	2.00	24	2.5%
	3.00	186	19.2%
	4.00	364	37.6%
	very important	379	39.2%
	Total	968	100.0%
Low governance ratings	not important	44	4.4%
	2.00	135	13.6%
	3.00	294	29.6%
	4.00	337	34.0%
	very important	182	18.3%
	Total	992	100.0%



		Count	Column N %
Multiple whistle-blower incidents	not important	13	1.3%
	2.00	16	1.6%
	3.00	90	9.1%
	4.00	333	33.7%
	very important	537	54.3%
	Total	989	100.0%
Funding challenges	not important	13	1.3%
	2.00	25	2.5%
	3.00	139	14.1%
	4.00	359	36.3%
	very important	452	45.7%
	Total	988	100.0%
Asset write-downs	not important	15	1.5%
	2.00	84	8.5%
	3.00	336	33.9%
	4.00	351	35.5%
	very important	204	20.6%
	Total	990	100.0%

**19. Generally, do you feel that board members can adequately meet their responsibilities of monitoring the company's multitude of risks?**

		Count	Column N %
Generally, do you feel that board members can adequately meet their responsibilities of monitoring the company's multitude of risks?	yes	866	87.7%
	no	121	12.3%
	Total	987	100.0%

**20. Given events of the past 12 months, do you believe the type of information your board currently receives on risk is adequate?**

		Count	Column N %
Given the events of the past 12 months, do you believe the type of information your board currently receives on risk is adequate?	Yes, and it is consistent with the information we received in the past	320	36.1%
	Yes, it's now an improvement over what we received in the past	401	45.2%
	No, and management is addressing the deficiency	153	17.2%
	No, I would like the following additional information	13	1.5%
	Total	887	100.0%

**21. Which of the following best describes your general view regarding the risk of shareholder (plaintiffs' bar) litigation over the next two years?**

		Count	Column N %
Which of the following best describes your general view regarding the risk of shareholder (plaintiffs' bar) litigation over the next two years?	I expect the risk to increase significantly	185	18.5%
	I expect the risk to increase modestly	461	46.1%
	I expect the risk to remain unchanged	305	30.5%
	I expect the risk to decrease	24	2.4%
	I don't know	25	2.5%
	Total	1000	100.0%

**22. Which of the following best describes your general view regarding the risk of regulatory investigation/action over the next two years?**

		Count	Column N %
Which of the following best describes your general view regarding the risk of regulatory investigation/action over the next two years?	I expect the risk to increase significantly	277	27.7%
	I expect the risk to increase modestly	433	43.3%
	I expect the risk to remain unchanged	264	26.4%
	I expect the risk to decrease	11	1.1%
	I don't know	14	1.4%
	Total	999	100.0%

**23. In the last 12 months, do you feel your risk as a director has:**

		Count	Column N %
In the last 12 months, do you feel your risk as a director has:	increased	617	68.8%
	decreased	8	.9%
	remained the same	272	30.3%
	Total	897	100.0%

**24. Do you believe your directors and officers liability insurance plan will give you adequate coverage for the following elements?**

		Count	Column N %
Bankruptcy	yes	660	65.9%
	no	68	6.8%
	Not sure	273	27.3%
	Total	1001	100.0%
Fraud for which you are not responsible	yes	864	86.1%
	no	31	3.1%
	not sure	108	10.8%
	Total	1003	100.0%
Catastrophic loss	Yes	684	68.3%
	no	69	6.9%
	not sure	248	24.8%
	Total	1001	100.0%
Shareholder suits	yes	818	82.0%
	no	41	4.1%
	not sure	139	13.9%
	Total	998	100.0%

**25. Have you ever turned down a board position because you felt the risk was too great?**

		Count	Column N %
Have you ever turned down a board position because you felt the risk was too great?	Yes, but not in the last 12 months	348	34.7%
	Yes, in the past 12 months	112	11.2%
	no	543	54.1%
	Total	1003	100.0%

**26. In the past 12 months, have you resigned or thought seriously about resigning from any of the boards you serve?**

		Count	Column N %
In the past 12 months, have you resigned or thought seriously about resigning from any of the boards you serve?	Yes, primarily due to concerns around personal liability	55	5.5%
	Yes, primarily due to time constraints	107	10.7%
	Yes, primarily due to concerns for personal reputation	21	2.1%
	Yes, because it is no longer fulfilling to be a director	51	5.1%
	Yes, other	57	5.7%
	No	706	70.8%
	Total	997	100.0%



Question 26 written answers		
	Acquisition	3
	age	9
	Board reduced due2 investor influence	1
	Board was ineffective	1
	Chapter 11 filing	1
	chemistry with other directors	1
	communication	1
	company financial situation	1
	compensation	2
	concern about ceo	1
	concerned about director of company	1
	conflict of interest	1
	conflict situations within board	1
	Did not trust management	1
	difficult to induce change	1
	Disagreements with management	1
	Disagreements with others	1
	end of term	1
	financial viability of company	1
	frustration with idiot directors	1
	health	1

	increased risk of liquidity/survival	1
	Lost confidence in Leadership Team	1
	merger	1
	new person would be a healthy improvement	1
	officer/chairman involvement	1
	potential conflict with class a & b shareholders	1
	retired	2
	risk of business	1
	strategic direction	1
	strategy differences	1
	term limit	3
	time requirements	1
	travel	1

**27. Does your board have any reservations about bringing in a new director who has no previous board experience?**

		Count	Column N %
Does your board have any reservations about bringing in a new director who has no previous board experience?	yes	440	49.4%
	no	451	50.6%
	Total	891	100.0%

**28. Do you think there is a shortage of qualified directors for today's companies?**

		Count	Column N %
Do you think there is a shortage of qualified directors for today's companies?	yes	557	55.8%
	no	442	44.2%
	Total	999	100.0%

**29. How difficult has it been for your board to add directors with the following skill sets/attributes?**

		Count	Column N %
<i>International expertise</i>	<i>very difficult</i>	86	8.7%
	<i>somewhat difficult</i>	330	33.4%
	<i>not at all difficult</i>	182	18.4%
	<i>not looking for this skill set</i>	389	39.4%
	<i>Total</i>	987	100.0%
<i>Technology expertise</i>	<i>very difficult</i>	75	7.6%
	<i>somewhat difficult</i>	370	37.6%
	<i>not at all difficult</i>	284	28.9%
	<i>not looking for this skill set</i>	255	25.9%
	<i>Total</i>	984	100.0%
<i>Financial expertise</i>	<i>very difficult</i>	41	4.2%
	<i>somewhat difficult</i>	288	29.3%
	<i>not at all difficult</i>	621	63.1%
	<i>not looking for this skill set</i>	34	3.5%
	<i>Total</i>	984	100.0%
<i>Marketing expertise</i>	<i>very difficult</i>	31	3.1%
	<i>somewhat difficult</i>	311	31.5%
	<i>not at all difficult</i>	419	42.5%
	<i>not looking for this skill set</i>	226	22.9%
	<i>Total</i>	987	100.0%

		Count	Column N %
Legal expertise	very difficult	7	.7%
	somewhat difficult	112	11.4%
	not at all difficult	480	48.7%
	not looking for this skill set	386	39.2%
	Total	985	100.0%
Public policy expertise	very difficult	14	1.4%
	somewhat difficult	160	16.3%
	not at all difficult	300	30.6%
	not looking for this skill set	506	51.6%
	Total	980	100.0%
Government expertise	very difficult	14	1.4%
	somewhat difficult	118	12.0%
	not at all difficult	252	25.5%
	not looking for this skill set	603	61.1%
	Total	987	100.0%
Corporate turnaround expertise	very difficult	28	2.9%
	somewhat difficult	161	16.4%
	not at all difficult	152	15.5%
	not looking for this skill set	641	65.3%
	Total	982	100.0%
Gender diversity	very difficult	103	10.5%
	somewhat difficult	390	39.6%
	not at all difficult	304	30.9%
	not looking for this skill set	187	19.0%
	Total	984	100.0%

		Count	Column N %
<i>Ethnic diversity</i>	<i>very difficult</i>	178	18.1%
	<i>somewhat difficult</i>	383	38.9%
	<i>not at all difficult</i>	225	22.8%
	<i>not looking for this skill set</i>	199	20.2%
	<i>Total</i>	985	100.0%
<i>Q29 other</i>	<i>very difficult</i>	13	37.1%
	<i>somewhat difficult</i>	8	22.9%
	<i>not at all difficult</i>	4	11.4%
	<i>not looking for this skill set</i>	10	28.6%
	<i>Total</i>	35	100.0%

*Results with “Not looking for this skill set” removed from the calculations:*

		Count	Column N %
<i>International expertise</i>	<i>very difficult</i>	76	14.3%
	<i>somewhat difficult</i>	288	54.3%
	<i>not at all difficult</i>	166	31.3%
	<i>Total</i>	530	100.0%
<i>Technology expertise</i>	<i>very difficult</i>	66	10.1%
	<i>somewhat difficult</i>	336	51.5%
	<i>not at all difficult</i>	250	38.3%
	<i>Total</i>	652	100.0%
<i>Financial expertise</i>	<i>very difficult</i>	37	4.4%
	<i>somewhat difficult</i>	257	30.3%
	<i>not at all difficult</i>	555	65.4%
	<i>Total</i>	849	100.0%

		<i>Count</i>	<i>Column N %</i>
<i>Marketing expertise</i>	<i>very difficult</i>	28	4.1%
	<i>somewhat difficult</i>	282	41.7%
	<i>not at all difficult</i>	366	54.1%
	<i>Total</i>	676	100.0%
<i>Legal expertise</i>	<i>very difficult</i>	7	1.3%
	<i>somewhat difficult</i>	101	19.1%
	<i>not at all difficult</i>	422	79.6%
	<i>Total</i>	530	100.0%
<i>Public policy expertise</i>	<i>very difficult</i>	12	2.9%
	<i>somewhat difficult</i>	142	34.1%
	<i>not at all difficult</i>	263	63.1%
	<i>Total</i>	417	100.0%
<i>Government expertise</i>	<i>very difficult</i>	13	3.8%
	<i>somewhat difficult</i>	109	31.8%
	<i>not at all difficult</i>	221	64.4%
	<i>Total</i>	343	100.0%
<i>Corporate turnaround expertise</i>	<i>very difficult</i>	26	8.4%
	<i>somewhat difficult</i>	147	47.6%
	<i>not at all difficult</i>	136	44.0%
	<i>Total</i>	309	100.0%
<i>Gender diversity</i>	<i>very difficult</i>	96	13.6%
	<i>somewhat difficult</i>	340	48.3%
	<i>not at all difficult</i>	268	38.1%
	<i>Total</i>	704	100.0%
<i>Ethnic diversity</i>	<i>very difficult</i>	160	23.0%
	<i>somewhat difficult</i>	335	48.1%
	<i>not at all difficult</i>	202	29.0%
	<i>Total</i>	697	100.0%



		<i>Count</i>	<i>Column N %</i>
<i>Q29 other</i>	<i>very difficult</i>	<i>11</i>	<i>52.4%</i>
	<i>somewhat difficult</i>	<i>7</i>	<i>33.3%</i>
	<i>not at all difficult</i>	<i>3</i>	<i>14.3%</i>
	<i>Total</i>	<i>21</i>	<i>100.0%</i>

<i>Question 29 written answers</i>		
	<i>active ceo</i>	<i>3</i>
	<i>age - younger</i>	<i>1</i>
	<i>ceo experience</i>	<i>4</i>
	<i>Global Strategy</i>	<i>1</i>
	<i>Human resources; compensation</i>	<i>1</i>
	<i>industry experience</i>	<i>3</i>
	<i>Industry management knowledge</i>	<i>1</i>
	<i>operations expertise</i>	<i>1</i>
	<i>regulatory</i>	<i>1</i>
	<i>Solid, dedicated, skillful individual</i>	<i>1</i>
	<i>technical skill</i>	<i>1</i>
	<i>workplace flexibility experience</i>	<i>1</i>

**30. Should all directors be required to attend some board education training?**

		Count	Column N %
Should all directors be required to attend some board education training?	yes	775	78.1%
	no	217	21.9%
	Total	992	100.0%

**31. Please estimate the hours you have spent over the last 12 months on:**

		Count	Column N %
Outside board training	4 hours or less	366	37.7%
	4-8 hours	174	17.9%
	8-16 hours	191	19.7%
	16-24 hours	98	10.1%
	over 24 hours	141	14.5%
	Total	970	100.0%
Inside board training	4 hours or less	468	51.3%
	4-8 hours	286	31.4%
	8-16 hours	121	13.3%
	16-24 hours	23	2.5%
	over 24 hours	14	1.5%
	Total	912	100.0%

**32. Is there a director on your board you feel should be replaced?**

		Count	Column N %
Is there a director on your board you feel should be replaced?	yes	297	29.8%
	no	701	70.2%
	Total	998	100.0%

### 33. IF YES, why do you feel that director should be replaced?

		Count	Column N %
The director is not engaged	yes	111	38.4%
	no	178	61.6%
	Total	289	100.0%
The director comes to the meeting unprepared	yes	80	27.7%
	no	209	72.3%
	Total	289	100.0%
The director does not have the skill set needed	yes	134	46.4%
	no	155	53.6%
	Total	289	100.0%
The director has been on the board too long	yes	98	33.8%
	no	192	66.2%
	Total	290	100.0%
The director is too old.	yes	50	17.2%
	no	240	82.8%
	Total	290	100.0%
Q33 other	yes	36	12.4%
	no	254	87.6%
	Total	290	100.0%

Question 33 written answers		
	Age	2
	bad ethics	1
	clash	1
	conflict as outside general counsel	1
	conflict with CEO	1
	director is difficult	1
	disruptive	4
	does not understand industry	1
	health	3
	insider	1
	interfering	1
	intolerant of diverse views, not independent of CEO	1
	narrow	1
	Not constructive in discussion	1
	not independent	3
	not the right fit!	1
	Not strategic	1
	poor chemistry	1
	poor personal skills	1
	relations with ceo	1
	separate agenda from company	1
	serves management more than shareholders	1
	style is dysfunctional	1
	too engaged	1
	Too many directors at this time.	1
	worry too much to cover their risk	1

**34. Within the last two years, has your company ever asked a director to resign or refused to re-nominate him or her?**

		Count	Column N %
Within the last two years, has your company ever asked a director to resign or refused to re-nominate him or her?	yes	227	25.6%
	no	660	74.4%
	Total	887	100.0%

**35. How effective is the board evaluation process at improving your board's performance?**

		Count	Column N %
<i>How effective is the board evaluation process at improving your board's performance?</i>	<i>very effective</i>	104	11.6%
	<i>effective</i>	306	34.2%
	<i>somewhat effective</i>	347	38.8%
	<i>ineffective</i>	74	8.3%
	<i>very ineffective</i>	13	1.5%
	<i>N/A - Don't evaluate board performance</i>	50	5.6%
	<i>Total</i>	894	100.0%

**36. What actions were taken as a result of the evaluation?**

		Count	Column N %
<i>There was or will be a change in board composition</i>	<i>yes</i>	155	19.0%
	<i>no</i>	659	81.0%
	<i>Total</i>	814	100.0%
<i>There was or will be a change in the way meetings are conducted</i>	<i>yes</i>	376	46.1%
	<i>no</i>	439	53.9%
	<i>Total</i>	815	100.0%
<i>There was or will be a change in the information we receive before and/or during meetings.</i>	<i>yes</i>	399	49.0%
	<i>no</i>	415	51.0%
	<i>Total</i>	814	100.0%
<i>Q36 other</i>	<i>yes</i>	25	3.1%
	<i>no</i>	789	96.9%
	<i>Total</i>	814	100.0%

<i>Question 36 written answers</i>		<i>Count</i>
	<i>2 sub committees setup to increase intensity</i>	1
	<i>Added a woman to Board.</i>	1
	<i>added board meeting0</i>	1
	<i>change in member relationships</i>	1
	<i>changed to emeritus status</i>	1
	<i>cosmetic changes</i>	1
	<i>development opportunities for members</i>	1
	<i>Discussion with Director</i>	1
	<i>Increased attention to succession plan</i>	1
	<i>individual behavioral change</i>	1
	<i>members step up performance</i>	1



	<i>Mgmnt disregarded Board evaluations</i>	<i>1</i>
	<i>more involvement in long range plan</i>	<i>1</i>
	<i>more extensive committee reports</i>	<i>1</i>
	<i>New chairman</i>	<i>1</i>
	<i>new sub committee was formed</i>	<i>2</i>
	<i>offsite strategy review</i>	<i>1</i>
	<i>Serious Board Evaluation Not Done</i>	<i>1</i>
	<i>split gov and comp committees</i>	<i>1</i>
	<i>we always respond to the needs</i>	<i>1</i>
	<i>We appointed a lead director</i>	<i>1</i>

**37. In general, do you believe U.S. company boards are having trouble controlling CEO compensation levels?**

		Count	Column N %
In general, do you believe U.S. company boards are having trouble controlling CEO compensation levels?	yes	590	59.7%
	no	315	31.9%
	Not sure	84	8.5%
	Total	989	100.0%

**38. Which of the following best describe your thoughts on developments in executive compensation, given the government's increased focus on this area?**

		Count	Column N %
It will become difficult for companies to retain the best leaders if they cannot pay market value for their talent	yes	515	51.4%
	no	486	48.6%
	Total	1001	100.0%
It will become difficult for companies to recruit the best leaders due to executive compensation limitations	yes	354	35.4%
	no	647	64.6%
	Total	1001	100.0%
Executive compensation should be left to the board of directors	yes	758	75.8%
	no	242	24.2%
	Total	1000	100.0%
Companies that are not directly participating in government relief programs will also feel the effect in their compensation discussions	yes	645	64.4%
	no	356	35.6%
	Total	1001	100.0%
Current government limitations on compensation are justified	yes	122	12.2%
	no	878	87.8%
	Total	1000	100.0%
The government should apply further limitations on compensation	yes	28	2.8%
	no	972	97.2%
	Total	1000	100.0%
Despite the restrictions, companies will find ways to maintain levels of overall executive compensation	yes	386	38.6%
	no	613	61.4%
	Total	999	100.0%
None of the above	yes	7	.7%
	no	994	99.3%
	Total	1001	100.0%
Other	yes	27	2.7%
	no	974	97.3%
	Total	1001	100.0%

Question 38 written answers		
	50-75% of methods provided by comp consultants do not work, only ratchet C-level comp to higher level	1
	bad behavior created the situation	1
	boards contribute to the unnecessary escalation of exec comp	1
	comp committees will do better	1
	comp is too high but Boards should correct it.	1
	companies should train leaders in the pipeline for future executive candidates	1
	consultants push comp higher	1
	current levels are totally unjustified/unethical	1
	directors need to be more independent	1
	exec comp overall is way too high	1
	focus on the wrongdoers, don't punish all	1
	Government involvement is very bad	1
	Government mucking things up	1
	Gov no reg	1
	in select situations the gov should be involved. In most cases the board should decide	1
	Job happiness is as important as \$	1
	Levels are too high	1
	lowering of comp expectations	1
	Need better peer group analysis	1
	not a universal problem.	1
	Peer pressure	1
	Performance related is key	1
	Share vote	1
	some CEOs are overpaid	1
	True pay-for-performance	1

**39. Do you believe any of the following will be affected negatively should a board have to institute a restrictive luxury/travel/executive perk and awards policy?**

		Count	Column N %
Ability to reward the company's best performers	yes	339	34.8%
	no	635	65.2%
	Total	974	100.0%
Ability to get prudent board education	yes	117	12.2%
	no	845	87.8%
	Total	962	100.0%
Cause management teams to be significantly less productive with their time	yes	214	22.1%
	no	753	77.9%
	Total	967	100.0%

**40. Given the performance of the stock market, how is your board addressing options that are underwater by significant amounts?**

		Count	Column N %
We are exchanging underwater options for "at the money" options	yes	19	2.1%
	no	871	97.9%
	Total	890	100.0%
We are exchanging underwater options for full value shares	yes	19	2.1%
	no	871	97.9%
	Total	890	100.0%
We are exchanging options for cash	yes	6	.7%
	no	884	99.3%
	Total	890	100.0%
We have decided not to exchange our underwater equity	yes	436	49.0%
	no	454	51.0%
	Total	890	100.0%
We are making additional grants of equity to selected staff	yes	178	20.0%
	no	712	80.0%
	Total	890	100.0%
We haven't yet decided	yes	200	22.5%
	no	689	77.5%
	Total	889	100.0%
Not applicable - not an issue for our company	yes	166	18.7%
	no	723	81.3%
	Total	889	100.0%

Information with "Not applicable – not an issue for our company" data removed

		Count	Column N %
<i>We are exchanging underwater options for "at the money" options</i>	<i>yes</i>	19	2.6%
	<i>no</i>	871	97.4%
	<i>Total</i>	890	100.0%
<i>We are exchanging underwater options for full value shares</i>	<i>yes</i>	19	2.6%
	<i>no</i>	871	97.4%
	<i>Total</i>	890	100.0%
<i>We are exchanging options for cash</i>	<i>yes</i>	6	.8%
	<i>no</i>	884	99.2%
	<i>Total</i>	890	100.0%
<i>We have decided not to exchange our underwater equity</i>	<i>yes</i>	436	60.3%
	<i>no</i>	454	39.7%
	<i>Total</i>	890	100.0%
<i>We are making additional grants of equity to selected staff</i>	<i>yes</i>	178	24.6%
	<i>no</i>	712	75.4%
	<i>Total</i>	890	100.0%
<i>We haven't yet decided</i>	<i>yes</i>	200	27.7%
	<i>no</i>	689	72.3%
	<i>Total</i>	889	100.0%

**41. Are you satisfied with your company's management succession plan?**

		Count	Column N %
Are you satisfied with your company's management succession plan?	yes	611	61.0%
	no	391	39.0%
	Total	1002	100.0%



**42. IF NO, with what elements of planning your company's management succession are you dissatisfied?**

		Count	Column N %
Management succession is not a regular item on the board meeting agenda	yes	160	41.2%
	no	228	58.8%
	Total	388	100.0%
Our CEO is uncomfortable with the topic	yes	72	18.6%
	no	316	81.4%
	Total	388	100.0%
Our board tries to handle management succession only as the need arises	yes	105	27.1%
	no	282	72.9%
	Total	387	100.0%
Inadequate management talent in the succession pipeline	yes	200	51.5%
	no	188	48.5%
	Total	388	100.0%
There is no plan in place	yes	98	25.3%
	no	290	74.7%
	Total	388	100.0%
Q42other	yes	36	9.3%
	no	353	90.7%
	Total	389	100.0%

Question 42 written answers		
	A "Peter Principle" in a couple of spots	1
	catastrophe plan in place, but no routine plan	1
	ceo is new	3
	executed plan a year ago, now need new plan	1
	feel a little hostage to management	1
	Haven't identified suc CEO candidate	1
	in progress	1
	inadequate management development	1
	insufficient diversity	1
	it is being addressed but tends to	1
	Just beginning to develop	1
	just initiating plan	1
	no easy solutions	1
	no formal plan in place	1
	not a huge concern, but plan should be stronger	1
	not sufficiently rigorous	1
	not sure a plan is in place	1
	Plan could be improved	1
	recruiter couldn't locate talent	1
	requires constant attention and review, deeper into org	1
	takes long time	1
	Taking hiring actions	1
	Timing of succession is an issue. n	1
	We are revising plan now	1
	we have an emergency succession plan	1
	work in progress	2
	Zero turnover	1

#### 43. Regarding shareholder communication:

		Count	Column N %
Shareholders should have the ability to communicate with the board at any time.	agree	574	58.2%
	disagree	345	35.0%
	no opinion	67	6.8%
	Total	986	100.0%
Certain (major) shareholders should have the ability to communicate with board members during meetings designated for that purpose	agree	490	50.1%
	disagree	358	36.6%
	no opinion	130	13.3%
	Total	978	100.0%
All shareholders should have the ability to ask questions of board members at the shareholders' annual meeting	agree	808	81.7%
	disagree	156	15.8%
	no opinion	25	2.5%
	Total	989	100.0%
Board members should directly answer shareholders' questions at annual meeting	agree	556	56.3%
	disagree	343	34.8%
	no opinion	88	8.9%
	Total	987	100.0%

**44. Would you be prepared to respond if a shareholder at the company's annual meeting asked your opinion of the company strategy?**

		Count	Column N %
Would you be prepared to respond if a shareholder at the company's annual meeting asked your opinion of the company strategy	yes	912	91.8%
	no	81	8.2%
	Total	993	100.0%

**45. If the SEC is successful in making proxy access easier and shareholder –nominated directors are elected, which scenario do you feel will MOST likely happen:**

		Count	Column N %
If the SEC is successful in making proxy access easier and shareholder-nominated directors are elected., which scenario do you feel will MOST likely happen	Boards will embrace the shareholder-nominated director and will be more effective in performing their duties	12	1.2%
	Boards will embrace the shareholder-nom dir. and there will be no effect on boards' performance of their duties	69	7.0%
	It will have a negative impact on the collegiality and functionality of the board	224	22.7%
	Hard to predict. the caliber and overall goals of the shareholder-nom dir will determine boards' effectiveness	675	68.5%
	other	5	.5%
	Total	985	100.0%

Other: Many current board of directors will resign, polar, no ability to change the board.

**46. Which of the following groups do you believe influence your board the most?**

		Count	Column N %
Which of the following groups do you believe influence your board the most?	government regulators	315	33.3%
	politicians	21	2.2%
	activist hedge fund	40	4.2%
	analysts	124	13.1%
	institutional investors	346	36.6%
	Riskmetrics (ISS) and rating agencies	80	8.5%
	plaintiffs' bar	7	.7%
	media	13	1.4%
	Total	946	100.0%

**47. Will a published governance rating have any impact on the following?**

		Count	Column N %
Attracting investors	yes	439	44.9%
	no	539	55.1%
	Total	978	100.0%
Altering your stock value	yes	290	29.8%
	no	683	70.2%
	Total	973	100.0%
Increasing a director's governance focus	yes	607	61.9%
	no	374	38.1%
	Total	981	100.0%

**48. Do you feel the technology and business strategies of your company are aligned?**

		Count	Column N %
Do you feel the technology and business strategies of your company are aligned?	yes	755	84.9%
	no	43	4.8%
	not sure	91	10.2%
	Total	889	100.0%

**49. For sensitive customer and personal data and corporate information like intellectual property, what describes the board's involvement?**

		Count	Column N %
<i>For sensitive customer and personal data and corporate information like intellectual property, what describes the board's involvement:</i>	<i>The board monitors this issue and gets regular updates from management</i>	133	15.1%
	<i>The board is aware of this issue, discusses it, and provides guidance to management</i>	164	18.6%
	<i>The board is aware of this issue and discusses it</i>	288	32.7%
	<i>the issue is not discussed at the board level</i>	262	29.8%
	<i>Not sure</i>	33	3.8%
	<i>Total</i>	880	100.0%



**50. As a director, what keeps you up at night?**

		Count	Column N %
Unknown risks	yes	594	59.0%
	no	412	41.0%
	Total	1006	100.0%
Possibility of fraud	yes	86	8.6%
	no	919	91.4%
	Total	1005	100.0%
Personal liability	yes	131	13.0%
	no	875	87.0%
	Total	1006	100.0%
Ability of the CEO to manage through the current challenges	yes	248	24.7%
	no	758	75.3%
	Total	1006	100.0%
Unacceptable business practices coming to light	yes	125	12.4%
	no	881	87.6%
	Total	1006	100.0%
Possibility of need to declare bankruptcy	yes	40	4.0%
	no	965	96.0%
	Total	1005	100.0%
None of the above	yes	223	22.2%
	no	780	77.8%
	Total	1003	100.0%
Q50 other	yes	42	4.2%
	no	964	95.8%
	Total	1006	100.0%

Question 50 written answers	
ability to capture growth	1
additional funding	1
ceo/chairman involvement	1
Ceo comp	1
Ceo succession	2
Changing & over regulation	1
commodity prices	1
Congressional changes	1
continued government meddling	1
Credit	1
credit availability	3
Credit risk	1
Customer acceptance of new products	1
customer satisfaction	1
data security	1
debt	1
dissention of board	1
economy	1
economy and government interference	1
Excessive dumb govt. involvement	1
gas	1
gov. over regulating or influence	1
government	4
grow	3
growth	2
increasing government interference	1
Irrational legal/ regulatory action	1
Known risk	1
known risk	1
Lack of growth	1
Liquidity management	1
litigation	1

	loose cannon inside director	1
	loss of stock value	1
	Lunatics in Washington.	1
	market changes for primary product	1
	More regulation	1
	need for contingency planning	1
	nothing	2
	Over-regulation and SEC incompetence	1
	Overall strategy	1
	reactionary government intervention	1
	regulatory	1
	Significant incidents	1
	stability of credit markets	1
	strategic risk (business model, etc.	1
	succession planning, strategy	1
	uncertainty of the direction of regulation	1

**51. Is the company for which you are responding a recipient of federal economic relief in the form of equity injection, troubled asset purchase, or otherwise?**

		Count	Column N %
Yes, the company has received an equity injection	yes	58	6.5%
	no	837	93.5%
	Total	895	100.0%
Yes, the company has sold troubled assets through a government program	yes	3	.3%
	no	892	99.7%
	Total	895	100.0%
Yes, the company has received other form(s) of economic relief	Yes	11	1.2%
	no	884	98.8%
	Total	895	100.0%
No	yes	814	91.1%
	no	80	8.9%
	Total	894	100.0%

**52. Are you responding as an inside or outside director?**

		Count	Column N %
Are you an inside or outside director?	yes	182	18.2%
	no	819	81.8%
	Total	1001	100.0%

**53. What is your title or status with your primary company?**

		Count	Column N %
What is your title or status with your primary company?	Chairperson	98	9.9%
	President	54	5.4%
	CEO	113	11.4%
	CEO/Chairperson	85	8.6%
	General Counsel	7	.7%
	Vice Chairperson	14	1.4%
	CFO	34	3.4%
	CTO	0	.0%
	Corporate Secretary	1	.1%
	Retired CEO	60	6.0%
	Retired	110	11.1%
	Outside Director	366	36.9%
	Other	50	5.0%
	Total	992	100.0%

Question 53 written answers		
	CMO	1
	COO	4
	EVP	6
	managing director	3
	owner	3
	partner	14
	professor	4
	senior advisor	1
	SVP	4
	VP	1

#### 54. How long have you served on this board?

		Count	Column N %
How long have you served on this board?	less than 1 year	36	3.6%
	1-2 years	112	11.2%
	3-5 years	289	28.9%
	6-10 years	251	25.1%
	Over 10 years	312	31.2%
	Total	1000	100.0%

**55. You are:**

		Count	Column N %
You are	male	874	88.4%
	female	115	11.6%
	Total	989	100.0%

**56. Your age is:**

		Count	Column N %
Your age is	34 years or younger	1	.1%
	35-44 years	15	1.5%
	45-54 years	166	16.7%
	55-64 years	413	41.5%
	65-74 years	349	35.0%
	75 years or older	52	5.2%
	Total	996	100.0%

**57. What are the annual revenues for this company? (stated in millions)**

	Count	Mean
What are the annual revenues for this company	1021	4320.93

		Count	Column N %
Revenue groupings	Under \$500 million	174	18.9%
	\$500 million to \$1 billion	177	19.2%
	\$1.1 billion to \$5 billion	363	39.4%
	\$5.1 billion to \$10 billion	100	10.9%
	Over \$10 billion	107	11.6%
	Total	921	100.0%

**58. On what exchange is your primary company or largest board listed?**

		Count	Column N %
On what exchange is your primary company or largest board listed?	NYSE-Euronext	603	61.6%
	NASDAQ OMX Group	374	38.2%
	AMEX	2	.2%
	Total	979	100.0%



**59. On how many boards do you serve:**

	Count	Mean
Public	1021	1.56
Private	1021	1.80
Not for profit	1021	2.13

		Count	Column N %
Public	.00	4	.4%
	1.00	594	60.6%
	2.00	256	26.1%
	3.00	93	9.5%
	4.00	22	2.2%
	5.00	12	1.2%
	Total	981	100.0%
Private	1.00	272	55.3%
	2.00	129	26.2%
	3.00	50	10.2%
	4.00	24	4.9%
	5.00	10	2.0%
	6.00	2	.4%
	7.00	1	.2%
	10.00	3	.6%
	11.00	1	.2%
	Total	492	100.0%

Not for profit	1.00	239	39.1%
	2.00	199	32.5%
	3.00	90	14.7%
	4.00	51	8.3%
	5.00	18	2.9%
	6.00	9	1.5%
	7.00	2	.3%
	8.00	3	.5%
	10.00	1	.2%
	Total	612	100.0%

**60. Which of the following best describes this company?**

	Count	Column N %
Advance tech	131	13.3%
Aerospace/defense	25	2.5%
Apparel/textiles	14	1.4%
Automotive	26	2.6%
Bank/Savings	107	10.9%
Other financial inst.	47	4.8%
Building services/materials	37	3.8%
Chemicals	30	3.1%
Consumer products	59	6.0%
Energy/utilities	115	11.7%
Entertainment/hospitality	28	2.8%
E-commerce	5	.5%
Healthcare products/pharm	49	5.0%
Forest/paper products	7	.7%
Health care provider/managed care	17	1.7%
Industrial/farm equip	44	4.5%
Insurance	47	4.8%
Professional services	36	3.7%
Other service company	40	4.1%
Publishing	5	.5%
Retail	57	5.8%
Rubber/plastics	4	.4%
Scientific equip	5	.5%
Transportation/distribution	35	3.6%
other	13	1.3%
Total	983	100.0%

Question 60 written answers		
	Manufacturing	5

## Methodology

### Sampling

To create the mailing list for the study, *Corporate Board Member Magazine* took a sample from the directors of the top 2000 companies by revenue. Using the *Corporate Board Member Magazine* Director Database, 10,000 directors were randomly selected to receive the questionnaire.

### Questionnaire Creation and Data Collection

The questionnaire was created through a joint effort of PricewaterhouseCoopers and *Corporate Board Member*. On April 14, 2009, the What Directors Think Annual Board of Directors Survey was sent to 10,000 directors of U.S. public companies by U. S. Post. Additional email reminders were sent on June 16<sup>th</sup>, 23<sup>rd</sup> and 30<sup>th</sup>. The survey was returned by 1,021 directors.

The questionnaire held two basic types of questions: questions addressing the policies and practices of the board and questions addressing the characteristics and opinions of the individual director. To achieve non-bias data when calculating the results for the board related questions, each respondent's board was identified using a director ID number. Each board was only allowed to be represented once in the data pool causing deletion of any respondent's reply whose board was already represented. This brought the number of responses used to calculate the board related questions down to 911. The full number of responses were used to calculate the results for the questions dealing with individual opinions and actions.

Please contact Julie Lampley at [jlampley@boardmember.com](mailto:jlampley@boardmember.com) should you have any questions regarding the study.